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Proposed programme budget for the biennium 2004-2005

Section 13
International Trade Centre UNCTAD/WTO

Eighth report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General containing the proposed programme budget for the International Trade Centre UNCTAD/WTO for the biennium 2004-2005 (A/58/6 (Sect. 13)/Add.1). During its consideration of the report, the Committee met with representatives of the Secretary-General at Headquarters and exchanged views with the representatives of the Centre in Geneva, through videoconferencing.

2. The Advisory Committee notes that the proposed budget is presented in accordance with the procedure and administrative arrangements outlined and recommended by the Committee in paragraph 11 of its report A/53/7/Add.3 and endorsed by the General Assembly in its decision 53/411 B of 18 December 1998. However, the Committee recalls requesting the Secretary-General to initiate consultations with the International Trade Centre UNCTAD/WTO and the World Trade Organization for a joint review of the administrative arrangements for the Centre (see A/57/7/Add.26, para. 4, and resolution 57/312, para. 3). The Committee was informed that discussions are ongoing and that a report would be submitted in the spring of 2004 on this issue. In the meantime, pending the outcome of such review, the current administrative arrangements continue to apply.

3. In line with the arrangements mentioned in paragraph 2 above, the Secretary-General submitted an outline of the proposed programme budget for the biennium 2004-2005 for the International Trade Centre UNCTAD/WTO (see A/57/761). The estimated total resource requirements indicated therein amounted to 66,649,800 Swiss francs (Sw F) (at 2004-2005 rates), with income estimated at Sw F 695,000 and the United Nations share of the costs at Sw F 32,977,400 (equivalent to $20,938,000, at the exchange rate of Sw F 1.575 to US$ 1). The increase of 5.4 per cent in real terms compared to the biennium 2002-2003, as explained in the

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Secretary-General's report (A/57/761, paras. 9 and 10), was attributed to an increase in staff resources to meet growing demand in selected areas. The Advisory Committee, in its report (A/57/7/Add.26, para. 5), recommended that the General Assembly take note of the resources proposed in the budget outline. At its resumed fifty-seventh session, the General Assembly, in its resolution 57/312, took note of the report of the Secretary-General and concurred with the related observations and recommendations of the Committee.

4. The Advisory Committee notes from the information contained in table 13.3 (A/58/6 (Sect. 13)/Add.1) that the requirements of the International Trade Centre for the biennium 2004-2005 are estimated at Sw F 65,098,600, before recosting, or Sw F 65,334,400 at 2004-2005 rates. The updated amount represents an increase in real terms of 5.5 per cent, instead of the 5.4 per cent indicated in the budget outline, because of the more precise data available at the time of the preparation of the current submission. The Committee notes that income has been adjusted from Sw F 695,000 to Sw F 471,000 for 2004-2005, due to a reduction in rental income resulting from the need to accommodate the Centre's expanding programme of work and increased in-house office space requirements (see ibid., para. 13.14). The biennial contribution of each organization is Sw F 32,431,700.

5. The Advisory Committee further notes that, on the basis of the exchange rate of Sw F 1.575 to US$ 1, the provision requested for the United Nations contribution for the biennium 2004-2005 would amount to $20,591,600, which, as indicated in the report of the Secretary-General (ibid., para. 13.13), is $346,400 less than the figure provided in the budget outline.

6. For the biennium 2004-2005, extrabudgetary resources are estimated at SW F 72,566,600, an increase of 21 per cent over the amount of Sw F 56,999,700 for the biennium 2002-2003 (ibid., para. 13.15 and table 13.6).

7. The Advisory Committee recalls that the World Trade Organization reviews its budget on an annual basis, including its contribution to ITC. The Committee was informed that the estimates for ITC for 2004 would be reviewed by the Committee on Budget, Finance and Administration of the World Trade Organization on 17 November 2003. A recommendation to the General Council of the World Trade Organization for approval of a budget in the amount of Sw F 32,486,000 for ITC for 2004 will be proposed.

8. The Advisory Committee welcomes the inclusion of quantifiable and more precise indicators of achievement and the expansion of the information contained in table 13.3, as recommended by the Committee in its report (A/56/7/Add.3, para. 6).

9. As shown in table 13.4 of the report, the proposed number of regular budget posts for the Centre for the biennium 2004-2005 is 157 (79 Professional and 78 General Service), compared to 148 posts authorized for the biennium 2002-2003 (74 Professional and 74 General Service). The Advisory Committee notes that the increase in post-related requirements of Sw F 2,565,100 (5.4 per cent) over the approved budget for the biennium 2002-2003 covers the establishment of six new Professional posts (3 P-4, 2 P-3 and 1 P-2), five General Service posts and three reclassifications (two from P-4 to P-5 and one from P-2 to P-3). The net increase in posts reflects the abolition of two posts (1 P-2 and 1 GS), so far used to reimburse the Office of Internal Oversight Services and the United Nations Office at Geneva (Office of Centralized Support Services) for services rendered to ITC. Equivalent

resources are thus transferred to grants and contributions, in order to better reflect the administrative arrangements with those offices (see para. 12 below).

10. The recommendations of the Advisory Committee on posts are as follows:

(a) One P-4 post for a Senior Officer on national export strategy (Office of the Executive Director) to organize the Centre's response for capacity-building in national and sector-level strategy design and management. The incumbent of the post would be directly associated with the ITC Executive Forum. **In view of support already provided to the Executive Forum by the Division of Trade Support Services, a current coordinator (at the P-5 level) in the Office of the Executive Director, who performs on a part-time basis in this regard, and a provision amounting to SW F 585,000 for consultancies and resource personnel to assist in issues and meetings related to the Executive Forum, the Advisory Committee does not recommend the establishment of this post;**

(b) One P-4 post for a senior market analyst (Division of Product and Market Development) to carry out functions reinforcing ITC's capacity to analyse trade flows, trade opportunities, market access barriers and competitiveness in support of market opportunity identification and strategy formulation at sectoral and enterprise levels. **In view of the increasing demand for this type of output and advisory activities, the Advisory Committee recommends acceptance of this post;**

(c) One P-4 post for a senior officer (Division of Trade Support Services) to reinforce and expand ITC's information dissemination/awareness-building activities related to business implications of changes in the multilateral trading system and development of business advocacy capacities. **For the reasons provided to the Advisory Committee, it recommends acceptance of this post;**

(d) One P-3 post for capacity-building in trade in services (Division of Product and Market Development) to provide technical support in that area. **For the reasons provided to the Advisory Committee, it recommends acceptance of this post;**

(e) One P-3 post for a Trade Promotion Officer (Division of Technical Cooperation) to manage ITC's response to the demand for trade-related technical support and to coordinate the adaptation and further development of specialized, competitiveness enhancement tools for Arab States, Europe and the countries of the Commonwealth of Independent States. **The Advisory Committee recognizes the need for this essential function, but recommends that the functions be funded from extrabudgetary resources, in view of their direct relationship to the support of technical cooperation and the sizeable increase projected in extrabudgetary requirements for 2004-2005, as mentioned in paragraph 6 above;**

(f) One P-2 post for an Associate Editor (Office of the Executive Director) to carry out functions related to content development, design, production and editing assistance of ITC's International Trade Forum Magazine, published quarterly in three languages and distributed both in print and through the Internet. **The Advisory Committee recommends acceptance of this post;**

(g) One General Service post for an administrative assistant (Office of the Executive Director) to provide full-time support to the ITC Executive Forum. **The Advisory Committee recommends acceptance of this post;**

(h) One General Service post for an administrative assistant (Division of Trade Support Service, Enterprise Management and Development Section) in view of the increase in the workload associated with the demand for management training, export management training and e-competency development provided under the Enterprise Competitiveness programme. **The Advisory Committee recommends acceptance of this post;**

(i) One General Service post for an assistant in the Business Advisory Services Section (Division of Trade Support Services). The incumbent would assume responsibility for the administrative servicing of the counterpart networks of the Section, the distribution of competitiveness tools and the maintenance of databases. **The Advisory Committee recommends acceptance of this post;**

(j) Two General Service posts for administrative assistants to provide secretarial and administrative support in the Division of Technical Cooperation Coordination. **In view of the high ratio of General Service posts to Professional posts in ITC (currently 1:1), the Committee finds no compelling need for these additional resources. The Committee recommends against the acceptance of these two posts;**

(k) **The Advisory Committee recommends approval of the reclassification of the three posts, from P-4 to P-5 for the Chief of Trade in Services Section (Division of Product and Market Development), from P-4 to P-5 for the Chief of Office for Interregional Programmes (Division of Technical Cooperation Coordination), and from P-2 to P-3 in the Business Advisory Section of the Division of Trade Support Services.**

11. **In view of the Advisory Committee's recommendations on posts, the requirements for posts for ITC would amount to Sw F 48,796,200 at 2004-2005 rates (a reduction of Sw F 1,040,000).**

12. The resource growth under non-post requirements (Sw F 810,800 or 5.6 per cent) mostly relates to the increase under grants and contributions (Sw F 840,900) to provide for the services rendered by the Office of Internal Oversight Services and the United Nations Office at Geneva (Office of Centralized Support Services) offset by the reduction of two posts indicated in paragraph 9 above; the implementation of the decision to provide the Joint Advisory Group with documentation in additional languages (Arabic and Chinese), pursuant to the request in paragraph 2 of General Assembly resolution 57/312 (Sw F 160,000), and additional requirements under furniture and equipment in order to replace obsolete furniture that can no longer be repaired, as well as to acquire what is needed to accommodate the new staff members proposed. The Advisory Committee was informed that the furniture replacement would be carried out over two bienniums.

13. **In view of the recommendations made in paragraph 10 above with regard to posts, non-post resources for ITC should be reduced to Sw F 15,472,200 at 2004-2005 rates (a reduction of Sw F 26,000).**

14. **The Advisory Committee recommends that the General Assembly approve an amount of Sw F 64,268,400 under section 13 of the proposed programme budget for the biennium 2004-2005 for the International Trade Centre UNCTAD/WTO.**